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TO: Secretary of State

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DEPARTMENT OF STATE DIVISION OF INTER-AMERICAN AFFAIRS

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I met privately this afternoon with Colonel Carlos Castillo Armas to obtain his views on current situation. I had been alarmed by credible reports that two followers, distrustful of army group Junta, were planning overthrow government and install Castillo as President.

Colonel Castillo said he was reasonably satisfied with progress to date. He said new Cabinet (EMBTEL 30, July 6) was composed almost exclusively of his people, only Ministers of Defense and Agriculture being nominees of Colonel Monzon. He also said Junta had agreed to establish investigation group to go over captured Communist documents and prepare White Paper on atrocities and also to set up special group within police to concentrate on rounding up Communists still at large. I expressed pleasure at these steps.

After circling subject gingerly, Castillo came to point of discussion which was when and how elections for new President of Junta would be carried out. He said that Colonels Cruz and DuBois had offered resign from Junta and accept government posts abroad; in his opinion, these resignations should take place before election, since if they were afterwards, it would appear to be protest against outcome of elections. It was also obvious that elimination of Cruz and DuBois would render Castillo's election as President of Junta absolutely certain.) I asked if he believed situation of government would remain stable while these adjustments were taking place and referred to rumor that anti-Communists as well as Communists were somewhat restive. Castillo said he thought situation would remain quiet although he felt it would help if election were held promptly and if Colonel Monzon warn army against believing propaganda against Castillo which hostile political forces were spreading. I said I would mention this to Monzon if opportunity arose.

I then asked Colonel Castillo if his possible candidacy for constitutional presidency would be prejudiced if he assumed presidency of Junta. He thought about this briefly and then said he would like to study matter and consult advisers. He promised send Juan Cordova Cerna to see me tomorrow to give result of their consideration of this point. I made it clear I was not backing Monzon for Junta President but wished to be sure he had taken all factors into consideration.

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